

LEGISLATIVE GUIDE TO

FAMILY INVESTMENT PROGRAM (FIP), FOOD ASSISTANCE (FOOD STAMP) PROGRAM, AND STATE CHILD CARE ASSISTANCE



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Bureau

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December 2005

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Family Investment Program, Food Assistance, and State Child Care Assistance



I. Introduction.

The State of Iowa provides various forms of financial and other assistance to low-income Iowans. This Legislative Guide provides a summary of three financial assistance programs of major importance to low-income families with children: the Family Investment Program (FIP), the federal Food Stamp Program (known in Iowa as Food Assistance), and the State Child Care Assistance Program. The programs provide cash or other forms of financial assistance to individuals and families and are administered by the Iowa Department of Human Services (DHS). In general, a person must apply for this assistance at a DHS local office. A combined public assistance application form is used for FIP, refugee cash assistance, Food Assistance, and Medical Assistance (Medicaid). The application form can be obtained from a DHS county office or through the Internet at: http://www.dhs.state.ia.us/dhs2005/dhs_homepage/docs/pubassist_app.pdf.

Program eligibility is based upon one or more of the following factors:

- The financial means of the applicant and applicant's family. Financial means includes both income and property or other available resources. Income eligibility usually involves a comparison of family income with poverty levels outlined in administrative rules.
- The presence of children in the applicant's family.

This Legislative Guide provides an overview of FIP, Food Assistance, and the State Child Care Assistance Program's major components, financial and participation information, legal background, and examples of how the programs work.

Sources. The information consulted in the preparation of this Legislative Guide includes the 2005 Iowa Code and Code Supplement, Iowa Administrative Code (through September 30, 2005), federal law and regulations (through September 30, 2005), interviews, and Iowa DHS Policy Manuals in effect as of August 10, 2005. The policy manuals may be accessed on the Internet at: <http://www.dhs.state.ia.us/policyanalysis>. Unless otherwise indicated, Iowa Code citations include the 2005 Iowa Code Supplement.

II. Family Investment Program.

A. Family Investment Program Overview.

Purpose. The Family Investment Program (FIP) provides cash assistance to needy families with children. Eligibility is determined based upon the monthly family income and resources. Unless a hardship or other extension is granted, the period of assistance is subject to a lifetime limit of 60 months. Participants enter into a Family Investment Agreement outlining steps leading to self-sufficiency.

Participants. The typical FIP participant family in Iowa is headed by a single, 20- to 29-year-old, high school-educated, Caucasian female with two children who receives food assistance (formerly called food stamps) and Medicaid services. An average of 19,751 families per month were served in fiscal year 2004-2005. Seventy-four percent were one-parent families, 9 percent had both parents in the home, and 17 percent were children living with a relative. FIP provides monthly cash payments based on family size and



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income. The average payment is about \$333 a month per household. The average period of FIP assistance is 22 months.¹

B. History.

Iowa enacted FIP in 1993 to replace the Aid to Families With Dependent Children (AFDC) Program as part of the state's welfare reform initiative. Because Iowa's welfare reform initiative preceded welfare reform measures on the federal level, Iowa's program initially was operated under a federal waiver. In 1996, the federal government enacted the federal Personal Responsibility and Work Opportunity Reconciliation Act, replacing the entire AFDC Program with the Temporary Assistance for Needy Families (TANF) Program.

C. Funding.

The FIP program is funded by the federal government through the Temporary Assistance for Needy Families (TANF) Block Grant and state appropriations. The TANF Block Grant allows the states a significant amount of flexibility in the use of the federal grant moneys, subject to maintenance of effort requirements. Iowa receives \$131.5 million annually. In state fiscal year 2004-2005, \$39.9 million in TANF funds was combined with \$39.5 million in state funds for a total of \$79.4 million in expenditures for FIP cash assistance. Other TANF expenditures in addition to FIP cash assistance include FIP supportive services, transportation reimbursement, FIP work-related activities, short-term benefits, FIP and non-FIP child care, pregnancy prevention, family support, child welfare services, and FIP administration. The TANF Block Grant expenditures in state fiscal year 2004-2005 for purposes other than FIP cash assistance totaled \$101.5 million.²

D. General Requirements.

With a few exceptions, as a condition of receiving cash assistance, the program requires a participating family to enter into a Family Investment Agreement, or FIA. The FIA generally provides for family members' participation in a work, training, and education component which is known as the PROMoting Independence and Self-sufficiency through Employment Job Opportunities and Basic Skills Program, or PROMISE JOBS.

E. Related Programs.

With some exceptions, FIP participants also receive assistance from the Food Stamp Program and family health care coverage through the Medicaid Program (also known as "Title XIX" due to the program's legal basis in that title of the federal Social Security Act and as "Medical Assistance" as it is referred to at the state level in Iowa Code chapter 249A). In addition, DHS has an extensive program to establish child support obligations and to collect these obligations on behalf of FIP participants and others.

F. Legal Basis.

Iowa law for the Family Investment Program can be found in Iowa Code chapter 239B, enacted in 1997 to replace Iowa Code chapters 239 and 249C. The Department of Human

¹ Iowa Department of Human Services, Family Investment Program: One-Page Summary, http://www.dhs.state.ia.us/dhs2005/dhs_homepage/docs/narrative_fip05.doc (last visited Nov. 14, 2005).

² Financial data provided to the Legislative Services Agency by the Iowa Department of Human Services on October 26, 2005.



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Services' rules for the program can be found in the Iowa Administrative Code under agency number 441, chapters 7, 40-47, and 93. Federal law is codified in 42 U.S.C. chapter 7, subchapter IV – Grants to States for Aid and Services to Needy Families With Children and for Child Welfare Services and federal regulation in 45 C.F.R. chapter II, pts. 260-287. The federal law initially authorized the block grant and funding for a period of five years. Since 2002, Congress has been debating reauthorization of the TANF Block Grant but has not been able to agree on a comprehensive reauthorization. As of September 2005, the block grant authorization has been temporarily extended 11 times.³

G. Family Units.

In order to participate in FIP, a family unit must include a child less than 18 years of age⁴ who is residing with at least one parent or other specified relative who is listed in law and in rule.⁵ The income eligibility requirements and the amount of cash assistance paid to a family participating in the program are based upon the number of people determined to be in the family unit. Because basic eligibility is linked to the presence of children, to be considered part of the family unit, an adult must have a relationship link with that child, as a relative, by marriage, or by legal status. The statute and rules list those who may qualify as having a relationship to the child, including the parent or other "specified relative" such as a grandparent, aunt, stepparent, etc. Special provisions exist for children who themselves are parents and who may have good cause for not living with their own parent or guardian.⁶

H. Basic Eligibility.

Eligibility requirements for the Family Investment Program include a large number of factors to address specific circumstances of applicants for the program.⁷ Because of the complexity of the requirements, the following list of basic factors provides only a general guide to the requirements for determining eligibility and should not be relied upon to predict whether DHS would determine that a particular family unit is eligible:

- **Application.** The program requires a written application to be submitted to the DHS office for the county in which the applicant lives. The initial application process requires a face-to-face interview with a DHS income maintenance worker or other representative.⁸ Continuing eligibility requires a face-to-face interview at least annually.⁹ Decisions concerning eligibility are issued in writing and may be appealed. Eligibility is reviewed at least every six months and families with circumstances affecting income, such as a member working, must report monthly.¹⁰

³ Communication from Lee Posey, National Conference of State Legislatures, Washington, D.C., office, to the Legislative Services Agency, July 2005. Public Law 109-68, the TANF Emergency Response and Recovery Act of 2005, was signed into law on September 21, 2005, and extended the block grant authorization through December 31, 2005.

⁴ A family member who is 18 years of age and a full-time student expected to complete secondary school before age 19 is considered to be a child for eligibility and related purposes. Iowa Admin. Code 441-41.21(1).

⁵ Iowa Code §§ 239B.1 and 239B.2; Iowa Admin. Code 441-41.21(3) and 41.22(3).

⁶ Iowa Code § 239B.10; Iowa Admin. Code 441-41.22 (15) - (19).

⁷ Iowa Code § 239B.2; Iowa Admin. Code 441-41.

⁸ Iowa Admin. Code 441-40.24(1) and (2).

⁹ Iowa Admin. Code 444-40.27(1).

¹⁰ Iowa Admin. Code 441-40.27(1).



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- **Income Level.** The initial income eligibility determination for applicants is subject to a three-part test as illustrated in Appendix A. The income eligibility determination for the continuing eligibility of participants is subject to a two-part test as illustrated in Appendix A.¹¹ If income exceeds a certain level, an application is rejected or eligibility is ended.
- **Resources.** Program eligibility allows for ownership of various resources such as a homestead, household goods, personal effects, life insurance which has no cash surrender value, one motor vehicle of any value, and a motor vehicle with a value of up to \$4,115 for each adult and working teenage child. In addition, the applying family may have up to \$2,000 in other personal property, which may include the amount of motor vehicle value in excess of \$4,115 for each adult and working teenage child. The amount of property associated with a homestead can affect eligibility. In determining the continuing eligibility of a participating family, the limit on additional personal property increases to \$5,000.¹²
- **Tools.** The resource requirements also allow for ownership of up to \$10,000 in tools of the trade or capital assets for self-employment.¹³
- **Employment.** The presence of an employed or unemployed parent in a family unit does not by itself make the family eligible or ineligible. The amount of family income and parent involvement in a Family Investment Agreement and employment and training activities are critical factors.¹⁴
- **Family Investment Agreement.** With few exceptions, as a condition of eligibility, adult FIP applicants and recipients are subject to a Family Investment Agreement as described in part J of this portion of this Guide.¹⁵ The initial FIP application process involves a face-to-face interview with a PROMISE JOBS worker for the applicant to enter into and sign a Family Investment Agreement.¹⁶
- **Information.** Applicants and participants must agree to provide information as requested by DHS.¹⁷
- **Child Support.** The parent or specified relative is subject to a list of requirements, such as cooperation with paternity establishment and other child support requirements. There are "good cause" exceptions to these requirements; for example, if cooperation would cause physical or emotional harm to the child or other family member, the requirement would not apply.¹⁸
- **Residency.** The parent or specified relative must be a resident of the state of Iowa.¹⁹

¹¹ Iowa Admin. Code 441-41.27.

¹² Iowa Admin. Code 441-41.26(1).

¹³ Iowa Admin. Code 441-41.26(1)(n).

¹⁴ Iowa Code § 239B.2(3).

¹⁵ Iowa Admin. Code 441-41.24(2).

¹⁶ Iowa Admin. Code 441-93.109.

¹⁷ Iowa Code § 239B.2(5).

¹⁸ Iowa Code § 239B.2(6).

¹⁹ Iowa Admin. Code 441-41.23(1).



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- **Citizenship.** The parent or specified relative must either be a U.S. citizen or a qualified immigrant as defined in 8 U.S.C. § 1641.²⁰ A qualified immigrant must have entered the country before August 22, 1996, or must have resided in the United States for at least five years before becoming eligible. However, an exception may be made for an immigrant who was battered or subjected to extreme cruelty and who meets requirements for noncitizen status under federal law.²¹
- **School Attendance.** Requirements in Iowa law applying sanctions to participant families for a child's failure to attend school, often called "Learnfare," were repealed in 2004.²²

I. Other Eligibility Considerations.

In addition to the basic eligibility provisions above, consideration is given to certain individual circumstances of a family for initial and continuing eligibility. Examples of the circumstances considered include:

- **Time Limit.** Under federal law, a participant is subject to a general lifetime limit of 60 calendar months for the receipt of assistance funded by the TANF Program. A federal law provision allows the state to exempt up to 20 percent of the caseload from this requirement.²³ This time limit was first applicable to persons in Iowa who continuously received TANF cash assistance in this or any other state during the five-year period subsequent to the date the state elected to participate in the TANF Program (January 1997-January 2002). Otherwise, the time limit begins when an adult person begins receiving FIP cash assistance.²⁴
- **Work Requirements.** Federal law also requires that an increasing percentage of a state's participant caseload participates in work activities after receiving assistance for 24 months. The requirements are higher for two-parent families. By the year 2002, the work activity participation rate requirement for all families was 50 percent.²⁵ Increasing the requirements for work participation rates is generally an important component in legislation considered by Congress to reauthorize the TANF Block Grant.
- **Stepparents.** The rules include various special provisions for stepparents and other nonparental relatives. For example, the resources of a stepparent living in the home are not considered unless the stepparent is included in the family unit for purposes of eligibility and in determining the amount of assistance.²⁶
- **Controlled Substance Felony Offense.** Iowa has opted out of a provision in federal law that would require a reduction in the cash assistance paid to a family unit that includes an individual who has been convicted of a felony offense that has as an

²⁰ Iowa Code § 239B.2B.

²¹ Iowa Admin. Code 441-41.23(4).

²² Iowa Code 2003 § 239B.2A, repealed by 2004 Iowa Acts ch. 1043, § 11.

²³ 42 U.S.C. § 608(a)(7).

²⁴ Iowa Admin. Code 441-41.30.

²⁵ 42 U.S.C. § 607.

²⁶ Iowa Admin. Code 441-41.26(2)(c).



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element the possession, use, or distribution of a controlled substance.²⁷ However, Iowa law provides that unless exempt for good cause specified in rule, such an individual must participate in drug rehabilitation activities or fulfill other requirements to verify that the individual does not illegally possess, use, or distribute a controlled substance.²⁸

J. Family Investment Agreement.

The period of eligibility for FIP is based upon requirements of a family's Family Investment Agreement, or FIA. An applicant family is required to commit to an FIA as part of the application process. The FIA outlines the actions the family will take to achieve self-sufficiency and the support the state will provide, such as payments for child care or reimbursement for child care.²⁹ Once a family has a valid FIA, failure to take the action can trigger a Limited Benefit Plan (LBP) for the family.³⁰ Only the following circumstances exempt individual FIP participants from entering into an FIA: the individual is less than age 16 and is not a parent; the individual is age 16 through 18, is not a parent, and is attending school on a full-time basis; or the individual is not a U.S. citizen and is not a qualified alien.³¹ The agreement requires the individual to participate in one or more of the options described below at a level of participation equivalent to that required for full-time employment or at a level significant enough to move the individual toward the full-time employment level. Participation in the agreed-to options entitles the participant to receive assistance for child care, transportation, and other support services. Iowa's Department of Workforce Development contracts with DHS to provide services relating to FIAs. Upon completion of the terms of an FIA, the family should be able to attain economic self-sufficiency. The FIA options include the following:³²

- Full-time or part-time employment.
- Active job search.
- Participation in the JOBS Program.
- Participation in other education or training which may include English as a second language (ESL).
- Participation in a Family Development and Self-Sufficiency (FaDSS) Grant Program or other family development program.
- Work experience placement.
- Unpaid community service.
- Participation in a safety plan to address or prevent family or domestic violence. This option may include a temporary waiver period from required participation in employment-related activities.

²⁷ Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 115, opt-out in Iowa Code § 239B.5(3)(a).

²⁸ Iowa Code § 239B.5(3)(b).

²⁹ Iowa Code §§ 239B.2(4) and 239B.8; Iowa Admin. Code 441-93.109(2).

³⁰ Iowa Code § 239B.9.

³¹ Iowa Code § 239B.8.

³² Iowa Code § 239B.8; Iowa Admin. Code 441-93.109(2).



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- Any other arrangement which would strengthen the individual's ability to be a better parent, including participation in a parent education program. Parental leave from employment is authorized by Iowa law for the parent of a child who is less than three months of age. In addition, program rules provide for parental leave in accordance with the federal Family and Medical Leave Act of 1993, which entitles a person to up to 12 workweeks of leave from employment during any 12-month period by reason of childbirth, foster care, adoption, serious health condition of an immediate family member, or serious health condition of the person.³³
- Activities to address barriers to participation which may be specified in an incremental FIA. The following are identified in rule as barriers: need for adult or child care in an area where that care is not available, lack of transportation, substance addiction, sexual or domestic abuse history, overwhelming family stress, or physical or mental disability.³⁴

K. PROMISE JOBS Program.

Throughout the history of the AFDC Program, various initiatives were implemented at the federal and state levels to add work and training components to that program. The Iowa Code provisions were found in Iowa Code chapter 249C until the codification of the FIP Program in 1997. The work and training component in Iowa is known as the PROMISE JOBS or JOBS Program and the statutory provisions are found in Iowa Code chapter 239B along with the other FIP provisions. DHS contracts with the Department of Workforce Development to provide the employment and training PROMISE JOBS Program functions and the DHS Bureau of Refugee Services provides the program to refugees until U.S. citizenship is granted.

The individuals required to participate in PROMISE JOBS are the same as those required to enter into an FIA. According to Iowa Code section 239B.17, the PROMISE JOBS Program requirements vary in accordance with the FIA entered into by a particular family. Generally, the program includes the following activities:

- Placing applicants and participants in employment and training.
- Work experience training for applicants and participants for whom the training is likely to lead to regular employment.
- Incentives, opportunities, services, and other benefits to aid applicants and participants.

In addition to the FIA options and the activities described above, PROMISE JOBS may include orientation and assessment, job-seeking skills training, and parenting skills training.³⁵ A participant's transportation and child care needs are addressed as part of the PROMISE JOBS Program and included in the FIA.³⁶

³³ Iowa Admin. Code 441-93.133(1)(f); 29 U.S.C. § 2612.

³⁴ Iowa Admin. Code 441-93.134(3).

³⁵ Iowa Department of Human Services Income Maintenance Policy Manual, Title 4, Ch. J, "PROMISE JOBS: Overview — PROMISE JOBS Components and Services."

³⁶ Iowa Department of Human Services Income Maintenance Policy Manual, Title 4, Ch. J, "PROMISE JOBS: Family Investment Agreement — Barriers to Participation."



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L. Family Development and Self-Sufficiency (FaDSS) Grant Program.

Overview. The FaDSS Program is available statewide and provides intensive supportive services to FIP families with significant or multiple barriers to family stability and employment. Participation in the program is voluntary. Families eligible for FaDSS are referred to the program by PROMISE JOBS or local DHS workers. DHS contracts with the Department of Human Rights to provide program oversight. Local grantees provide direct services using certified family development specialists.³⁷

Program Service Components. The FaDSS Program may include assistance regarding job-seeking skills, family budgeting, nutrition, self-esteem, health and hygiene, child rearing, child care education preparation, and goal setting. In addition, grantees may address other family needs, such as child care assistance, transportation, substance abuse treatment, support group counseling, food, clothing, and housing.³⁸

M. Limited Benefit Plan.

If an individual participant does not fulfill the terms of the FIA, the individual, and usually the individual's family, enters into a Limited Benefit Plan (LBP).³⁹ An initial LBP excludes eligibility for cash assistance for an indeterminate period with cash assistance only to be reinstated if a participant complies with FIA requirements.⁴⁰ If a person is subject to a subsequent LBP, the LBP is effective for at least six months, is followed by an indeterminate period of LBP eligibility, and will only end if the participant complies with FIA requirements. Except for cases involving noncompliance by a needy relative acting as a payee, a stepparent, or a child who is a mandatory JOBS Program participant, an LBP applies to the entire family unit.

N. Crimes — Program Violations.

State law provides that it is a fraudulent practice to obtain or attempt to obtain FIP benefits or assistance by use of a willfully false statement or representation, by knowing failure to disclose a material fact, by impersonation, or by any fraudulent device. It is also a fraudulent practice to aid or abet another person in obtaining or attempting to obtain FIP benefits or assistance by any such means.⁴¹ Fraudulent practice crimes are classified by degrees according to the value of property or service involved. Thus the penalty for conviction for a fraudulent practice ranges from a simple misdemeanor for a fifth degree offense involving a value of less than \$200 to a class "C" felony for a first degree offense involving a value in excess of \$10,000.⁴²

O. FIP Diversion.

The purpose of FIP diversion programs is to provide immediate, short-term assistance to families in lieu of ongoing assistance under FIP (applicant diversion) or to meet needs of FIP participants not currently met by existing PROMISE JOBS services (family self-

³⁷ Iowa Code §§ 217.11 and 217.12; Iowa Admin. Code 441-165.

³⁸ Iowa Admin. Code 441-165.5(2)(d).

³⁹ Iowa Code § 239B.9.

⁴⁰ Iowa Admin. Code 441-41.24(8).

⁴¹ Iowa Code § 239B.14.

⁴² Iowa Code §§ 714.8 through 714.14.



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sufficiency grants). Assistance is intended to enable families to become or remain self-sufficient by removing barriers to obtaining or retaining employment.⁴³ The total amount of assistance is limited to the amount appropriated for purposes of diversion. In any individual case, the amount of assistance for applicant diversion cannot exceed \$2,000 per year for a family and for family self-sufficiency grants cannot exceed \$1,000 per year for a family.⁴⁴

P. Calculation of FIP Eligibility and Benefits.

Calculation of eligibility and benefits is a complex process. For a sample calculation, turn to Appendix A. This sample calculation is for a single parent, working full-time who has two children, one a toddler who is age one and the other a third grader. For this example of a three-person family, the maximum monthly grant of \$426 per month minus the net countable income of the example family results in the family's FIP grant of \$26.00 per month. FIP participants may also be eligible for special needs payments for guardian or conservatorship fees and children's school expenses.⁴⁵

The first two payment months' assistance amounts are determined on projected income levels. Beginning with the third month of assistance, assistance amounts are determined based on actual income two months prior to the payment month, i.e., September's income for November's payment.⁴⁶

Q. Special Needs Payments — School Fee Waiver.

Overview. Provision is made for payments for guardianship or conservator fees up to \$10 per month and for certain school expenses. In addition, by rule, public schools must provide a fee waiver for FIP participants.

School Expenses. Payment is allowed for expenses associated with a child's attendance at a public or certified nonpublic school, including those incurred in a certified preschool and home schooling that is monitored and approved by the school system. Expenses include education costs, specific charges made by a school, and expenses required of all students in the course. Examples include mandatory fees for home economics or physical education.⁴⁷ Payment is not provided for items for which the school waived the fee.

Waiver of School Fees. A public school is required to waive the fees for FIP participants and other indigent children attending within that public school's area. The family must complete an application and reapply each year. The waiver applies to any item supplied by the school for which the school would otherwise charge a fee, such as textbooks, school supplies, and summer school tuition.⁴⁸

⁴³ Iowa Admin. Code 441-47, preamble.

⁴⁴ Iowa Admin. Code 441-47.4(2) and 441-47.24(3).

⁴⁵ Iowa Department of Human Services Income Maintenance Policy Manual, Title 4, Ch. F, "Budgeting for Initial Eligibility: Calculating the Amount of Assistance – Special Needs."

⁴⁶ Iowa Department of Human Services Income Maintenance Policy Manual, Title 4, Ch. G, "Case Maintenance: Budgeting for Ongoing Eligibility."

⁴⁷ Iowa Admin. Code 441-41.27(9)(j) and 41.28(3); Iowa Department of Human Services Policy Manual, Title 4, Ch. F, "Budgeting for Initial Eligibility: Basic Needs – Special Needs."

⁴⁸ Iowa Code § 256.7(20); Iowa Admin. Code 281-18; and Iowa Department of Human Services Policy Manual, Title 4, Ch. F, "Budgeting for Initial Eligibility: Basic Needs — School Fee Waiver."



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R. FIP Cash Assistance Benefit Example.

The amount of a cash assistance benefit is determined based upon the number of family members and countable monthly income. Appendix A provides an example of how the benefit is determined for a single-parent family with two children, one a toddler age one and the other a third grader. In this example, the single parent works 40 hours per week at \$6.25 per hour and meets all resource requirements but does not have other income such as child support for the two children. Under this example, the monthly cash assistance benefit is \$26. See Appendix A for details.

III. Food Assistance (Food Stamp) Program.

A. Overview.

Purpose. Iowa's Food Assistance Program, known nationally as the Food Stamp Program, is intended to promote the general welfare of low-income households by raising the households' levels of nutrition to avoid hunger and malnutrition. The program also is intended to benefit the retail and agricultural economies. Until 2002, under the national program, participants utilized paper coupons to purchase food items. Participants now use an electronic benefit transfer (EBT) card that operates similar to a debit card except that the card can only be used to purchase food items. The federal government required states to implement the EBT approach and no longer provides the paper coupons. The federal government is reviewing options for changing the program name nationally to reflect the move away from food stamps.

Participants. An average of 87,098 households a month received food assistance in state fiscal year 2004-2005, reaching 209,331 people in June 2005. The household figure represents a 19 percent increase over the prior fiscal year. Of households receiving benefits in state fiscal year 2004-2005, about 20,745 households received food assistance but no other state benefits, and about 66,437 households received food assistance and also received benefits from FIP or the Medicaid Program, or both.⁴⁹

Funding Sources. Food assistance benefits are 100 percent federally funded. About \$167 million in federal food and nutrition funds were received in Iowa in fiscal year 2003-2004. The federal and state governments share payment of the administrative costs, with each paying 50 percent of these costs.⁵⁰

B. Legal Basis.

Iowa law for implementing the federal food assistance programs can be found at Iowa Code section 234.12. The DHS rules for the programs can be found in the Iowa Administrative Code under agency number 441, chapters 65 and 73. At the federal level, the programs are administered by the United States Department of Agriculture, Food and Nutrition Service. Federal law is codified in 7 U.S.C. chapter 51, §§ 2011-2036. Federal rules are found in Title 7, Chapter II, of the Code of Federal Regulations, pts. 271 through 283.

⁴⁹ Iowa Department of Human Services, Food Assistance (Food Stamps): One-Page Summary, http://www.dhs.state.ia.us/dhs2005/dhs_homepage/docs/narrative_food%20stamps05.doc (last visited Nov. 14, 2005).

⁵⁰ Iowa Department of Human Services, Food Assistance (Food Stamps): One-Page Summary, http://www.dhs.state.ia.us/dhs2005/dhs_homepage/docs/onepage_foodstamps.doc (last visited Nov. 14, 2005).



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C. Eligibility.

Eligibility for the program is based upon various residency, income, and resource tests. Persons who are eligible for certain other public welfare programs such as the Family Investment Program, ongoing county general assistance, and Supplemental Security Income are generally deemed to be "categorically eligible" for food assistance. However, their food assistance benefit amount is adjusted based upon individual family or household income and other individual circumstances.⁵¹ The maximum monthly benefit for an eligible household of three in fiscal year 2005-2006 is \$399.⁵²

The basic eligibility unit for food assistance is a household which includes spouses, parents, and children, or related or unrelated persons, who customarily buy, fix, and eat their food together. Eligibility may also apply to persons who eat with others, such as elderly and disabled persons who cannot buy and fix their food on their own due to disability, and individuals living in certain group living arrangements. Ineligible persons include certain aliens, certain students, persons who do not comply with program requirements, program violators, and fleeing felons.⁵³

D. Application.

The program requires a written application submitted to any DHS local office.⁵⁴ The application may be submitted in person, by mail, by facsimile transmission, or by electronic mail.⁵⁵ If the applicant is also applying for FIP, a combined public assistance form and interview may be used. A person may apply for emergency service in processing the application if serious circumstances exist, such as shelter costs in excess of money available. If approved for emergency service, the first food assistance benefits will be received by the household within seven days of the application date. The application process requires a face-to-face interview with a DHS income maintenance worker, unless the interview is waived due to hardship or other circumstances.⁵⁶

The worker must verify the information submitted. The verification covers a broad spectrum, from the identity of the applicant to income and resources, and may include review of documents, home visits, collateral contacts, and use of the state Income and Eligibility Verification System, which contains tax and employment information from the Internal Revenue Service and other government agency databases. In general, the processing standard provides for issuance of food assistance benefits to eligible households within 30 days of initial application. There are exceptions which may delay processing, including the need to obtain additional information. Decisions concerning eligibility are issued in writing and may be appealed.⁵⁷

⁵¹ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. F, "Determining Assistance – Calculating Benefit Level."

⁵² Communication from the Iowa Department of Human Services to the Legislative Services Agency, October 26, 2005.

⁵³ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. C, "Household Composition."

⁵⁴ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. B, "Filing a Food Assistance Application."

⁵⁵ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. B, "Filing a Food Assistance Application."

⁵⁶ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. B, "Filing a Food Assistance Application."

⁵⁷ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. B, "Verification" and "Denying an Initial Application."



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Reporting Requirements. Participants are required to report changes in circumstances that could change eligibility for the program. There are two sets of requirements: change reporting and simplified reporting. Each participant is assigned to a set of reporting requirements at the time of application processing. The change approach generally requires reporting within 10 days of the time a change, such as an increase in monthly income by more than \$100, occurs. In general, simplified reporting involves filling out the Food Assistance Interim Report (FAIR) every six months and reporting if the household income exceeds 130 percent of the federal poverty level.⁵⁸

E. Use of the Electronic Benefit Transfer (EBT) System.

The coupon system used for many years to distribute benefits has been replaced with an EBT system. Benefits are credited once per month on the same day, based upon the last name of the person for whom the food assistance case was opened. An Iowa EBT card can be used in other states that accept the card and vice versa. A household can have up to three cards utilizing the same account.⁵⁹ Food assistance may be used in any of the following authorized outlets:⁶⁰

- Authorized retail outlets, such as grocery stores, farmers markets, and specialty stores.
- Communal dining facilities and congregate meal sites.
- Meals on Wheels programs (for persons age 60 and older or for persons who have a disability).
- Any of the following living situations where the eligible household member is residing: group living arrangements, private not-for-profit drug or alcohol treatment programs, private not-for-profit homeless programs, and shelters for battered women and children.

F. Income Requirements.

Households which are categorically eligible are not subject to income requirements for determining eligibility. Households with an elderly person (age 60 and older) or disabled person are subject to the net income guidelines. All other households must meet both gross and net income guidelines.⁶¹ Net income is determined by making various adjustments for general purposes, medical care costs, dependent care costs, child support paid by household members, and excess shelter expenses.⁶² Net income is also used in determining benefit amounts.

FOOD ASSISTANCE INCOME ELIGIBILITY⁶³

Household Size	Maximum Gross Monthly Income	Maximum Net Monthly Income
1	\$1,037	\$798
2	\$1,390	\$1,070

⁵⁸ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. B, "Household Reporting Methods."

⁵⁹ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. A, "Electronic Benefit Transfer."

⁶⁰ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. A, "Participant Use of Benefits."

⁶¹ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. F, "Determining Assistance."

⁶² Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. F, "Determining Assistance - Calculating Net Income."

⁶³ Communication from the Iowa Department of Human Services to the Legislative Services Agency, October 26, 2005.



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3	\$1,744	\$1,341
4	\$2,097	\$1,613
5	\$2,450	\$1,885
6	\$2,803	\$2,156
7	\$3,156	\$2,428
8	\$3,509	\$2,700
	For each additional person, add \$354	For each additional person, add \$272

G. Resource Limits.

Except for those with categorical eligibility, food assistance eligibility is subject to limitations regarding the resources owned by the household.⁶⁴ The basic limit is no more than \$2,000; however, for households with eligible members who have a disability or are older than age 60, the limit is \$3,000. Resources include liquid resources, such as savings, which can easily be converted to cash and nonliquid resources, such as buildings or other real property, which cannot be easily converted. The entire value of one motor vehicle is excluded. For other vehicles, only the value over \$4,650 is counted toward the resource limit. However, none of the value of a licensed motor vehicle is counted if it is used as the household's home, for self-employment, or for transporting a household member who has a physical disability.⁶⁵ Various resources such as the homestead and household goods and personal effects are not counted toward the resource limit.⁶⁶

H. Work Requirements.

Unless exempt, the members of a food assistance household are subject to work registration, work program, and work requirements.⁶⁷ Work registration means registered for employment with the Iowa Department of Workforce Development. The work program, the Food Stamp Employment and Training Program, includes a basic work requirement for able-bodied adults ages 18 to 60 without dependents to be working or participating in a work program at least 60 hours per month. Exemptions cover a variety of individual circumstances, such as pregnancy, student status, disability, and caring for a young child or an incapacitated person. The work program includes a job-seeking program called Job Club, educational services, and other job search activities.⁶⁸

I. Benefit Amount.

The benefit amount is determined based upon prospective budgeting. Prospective budgeting means the anticipated income and deductible expenses for the months of the certification period used to determine the benefit amount for the months of the certification period.⁶⁹ The benefit amount is determined by multiplying a household's net monthly

⁶⁴ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. D, "Resources: Resource Limits."

⁶⁵ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. D, "Resources: Vehicles."

⁶⁶ 7 C.F.R. 273.8(e).

⁶⁷ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. C, "Nonfinancial Eligibility: Mandatory Work Registrants (MWRs) – Work Requirements for Mandatory Work Registrants."

⁶⁸ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. M, "Food Stamp Employment and Training Program."

⁶⁹ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. F, "Prospective Budgeting."



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income by 30 percent and subtracting that figure from the maximum benefit amount.⁷⁰ See Appendix B for an example calculation of food assistance benefits. The following are maximum benefit amounts:

MAXIMUM FOOD ASSISTANCE BENEFITS⁷¹

Household Size	Maximum Net Monthly Benefit
1	\$152
2	\$278
3	\$399
4	\$506
5	\$601
6	\$722
7	\$798
8	\$912
For each additional member, add \$114	

J. Crimes — Program Violations.

State law provides that it is a fraudulent practice to obtain or attempt to obtain food assistance benefits by use of a willfully false statement or representation, by knowing failure to report changes in circumstances affecting entitlement to benefits, by transferring an EBT card or other assistance transfer instrument to another with the intent the benefits will be used for someone other than the eligible person's household, by acquisition, use, or attempt to use benefits which were not issued to that household, or by knowing acquisition, alteration, transfer, or redemption of benefits in violation of state or federal requirements for the program.⁷²

The penalty provisions are the same as for the FIP Program. Fraudulent practice crimes are classified by degrees according to the amount involved. Thus the penalty for conviction for a fraudulent practice ranges from a simple misdemeanor for a fifth degree offense involving a value of less than \$100 to a class "C" felony for a first degree offense involving a value in excess of \$10,000.⁷³ In addition, if a court or an administrative disqualification hearing results in a finding that a person obtained or attempted to obtain food assistance benefits by such means, the person involved is deemed to have committed an intentional program violation and is ineligible for food assistance benefits. The period of ineligibility can be permanent upon a first, second, or third violation, depending on the nature and seriousness of the violation. For example, if the violation was trafficking food assistance benefits valued at \$500 or more, the period of ineligibility is permanent for the first violation.⁷⁴

K. Other Food Assistance Programs.

Special provisions exist for issuance of food stamps or eligibility for other food assistance programs administered by the Iowa Department of Human Services for certain

⁷⁰ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. F, "Determining Assistance – Calculating Benefit Level."

⁷¹ Communication from the Iowa Department of Human Services to the Legislative Services Agency, October 26, 2005.

⁷² Iowa Code § 234.13.

⁷³ Iowa Code §§ 714.8 through 714.14.

⁷⁴ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. J, "Intentional Program Violations – Penalties for Intentional Program Violation."



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persons. These food assistance programs are available to persons subject to the following circumstances:

- Households adversely affected by a disaster may be eligible for food assistance benefits.⁷⁵
- Emergency feeding organizations, certain charitable institutions, and certain needy households may be eligible for surplus commodities or other food donated by the United States Department of Agriculture and distributed under the Federal Surplus Food Program.⁷⁶

L. Food Assistance Benefit Example.

The amount of Food Assistance Program benefits is determined based upon the number of family members and countable family income.

Appendix B provides an example of how the benefit is determined for a single-parent family with two children, one a toddler age one and the other a third grader. In this example, also used in Appendix A, the single parent works 40 hours per week at \$6.25 per hour and meets all resource requirements but does not have other income such as child support for the two children. The example assumes that apartment rent is \$450 per month and the family pays telephone and electric utility costs but not heating or air conditioning costs. Because the example family receives FIP benefits, the family is categorically eligible for food assistance benefits. Under this example, the food assistance benefit for the family is \$266 per month.

IV. State Child Care Assistance.

A. Overview.

Purpose. State Child Care Assistance (CCA) is administered by DHS to assist low-income families with the cost of child care. Assistance is provided on a sliding scale basis according to family income. The program strives to ensure that children are cared for in settings that meet minimum health and safety standards and to promote the provision of high-quality child care.⁷⁷

Participants. In fiscal year 2004-2005, more than 36,000 children between the ages of 0-13 (up to age 19 for children with special needs) were provided child care assistance. An average of 18,055 children received assistance each month. Of the 18,055 average, 14,686 were children of working poor families, 1,215 were children in protective custody, and 2,154 were children in FIP families participating in PROMISE JOBS activities.⁷⁸ Including nonregistered providers, DHS reimbursed a total of about 14,000 providers in fiscal year 2004-2005.⁷⁹

⁷⁵ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. L, "Disaster Food Stamp Assistance."

⁷⁶ Iowa Department of Human Services Income Maintenance Policy Manual, Title 7, Ch. U, "Federal Surplus Food Program."

⁷⁷ Iowa Department of Human Services, Child Care Assistance Program: One-Page Summary, http://www.dhs.state.ia.us/dhs2005/dhs_homepage/docs/narrative_childcare05.doc.

⁷⁸ Id.

⁷⁹ Communication from the Iowa Department of Human Services to the Legislative Services Agency, October 26, 2005.



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Funding Sources. This program is funded by the federal government through the Child Care and Development Block Grant (CCDBG) and state appropriations. In addition to the funding from CCDBG, many states, including Iowa, exercise the authorization to transfer a portion of the funding appropriated for the TANF Block Grant to CCDBG. In federal fiscal year 2004-2005, the following amounts were utilized for CCA and child care-related activities allowed or required under CCDBG:⁸⁰

- Federal CCDBG: \$36.8 million
- Federal TANF transferred for child care: \$31.8 million
- Iowa appropriations: \$11.34 million
- Total state and federal spending for federal fiscal year 2004-2005: \$79.94 million

B. Legal Basis.

History. The Child Care and Development Block Grant was originally created in the federal Omnibus Budget Reconciliation Act of 1990 (OBRA 1990) as a discretionary funded program. When federal welfare reform legislation was enacted in 1996, replacing the Aid to Families With Dependent Children entitlement program with the Temporary Assistance to Needy Families Block Grant, related child care entitlement programs were incorporated into the Child Care and Development Block Grant. Consequently, the block grant includes specific funding streams, earmarked funding, and state funding requirements. The earmarked funding may be used for research and evaluation, resource and referral activities, activities that increase parental choice, provision of technical assistance, and activities designed to improve the quality and availability of child care.⁸¹

Federal Law. The federal Child Care and Development Block Grant Act of 1990, as amended, is the primary source of federal law. It is codified at 42 U.S.C. § 9858 et seq. Federal rules are at 45 C.F.R. pts. 98 and 99.

State Law. Iowa law for CCA is codified at Code section 237A.13. Income and reimbursement requirements may be revised in legislation, typically in annual appropriations legislation for DHS.⁸² Rules are found in 441 IAC chapter 170. DHS policy is found in Department of Human Services Policy Manual, Title 13, Chapter G — "Child Care Assistance," available on the Internet at:

http://www.dhs.state.ia.us/policyanalysis/PolicyManualPages/Manual_Documents/Master/13-g.pdf.

C. Basic Eligibility.

Family Circumstances. CCA is available on a sliding scale basis to the children of income-eligible parents who are described by one of the following circumstances:⁸³

- The child's parent, guardian, or custodian is participating in approved academic or vocational training. Assistance provided while the parent participates in postsecondary

⁸⁰ Id.

⁸¹ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Legislative Affairs and Budget, "Fiscal Year 2005 Congressional Justification: Discretionary Programs — Child Care and Development Block Grant," p. G-9, Washington, D.C., http://www.acf.dhhs.gov/programs/olab/budget/fy2005/section02_ccdbg.doc.

⁸² Income eligibility and reimbursement requirements were revised in 2005 Iowa Acts ch. 175, §§ 14 and 29(11).

⁸³ Iowa Code § 237A.13; Iowa Admin. Code 441-170.2(2)(b).



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education leading up to and including a baccalaureate degree program or vocational training is subject to a 24-month lifetime limit.

- The child's parent, guardian, or custodian is seeking employment. Eligibility for assistance while seeking employment is limited to 30 days during a 12-month period.
- The child's parent, guardian, or custodian is employed 28 or more hours per week, or an average of 28 or more hours per week, and the family income meets income requirements. CCA may be provided for the hours of employment of a single parent or the coinciding hours of employment of both parents in a two-parent home, and for actual travel time between home, child care facility, and place of employment.
- The child's parent, guardian, or custodian is absent for a limited period of time due to hospitalization, physical illness, or mental illness, or is present but is unable to care for the child for a limited period as verified by a physician. CCA under this provision is limited to a maximum of one month, unless extenuating circumstances are justified and approved after review by a DHS administrator.
- The child needs protective services to prevent or alleviate child abuse or neglect.

Income Eligibility. Unless income eligibility requirements are not applicable as described below, the family's nonexempt gross monthly income cannot exceed one of the following income limits:⁸⁴

- One hundred forty-five percent of the federal poverty level applicable to the family size for children needing basic care.
- Two hundred percent of the federal poverty level applicable to the family size for children with special needs.
- Eighty-five percent of Iowa's median family income, if that figure is lower than the other two limits.

Income exemptions include certain types of unearned income, various forms of public assistance such as food assistance, and adoption subsidy payments.

Public Assistance Eligibility. CCA is available to persons participating in activities approved under the PROMISE JOBS Program and participants in FIP without regard to income eligibility requirements if there is a need for child care services. PROMISE JOBS staff administer CCA for child care needed to participate in PROMISE JOBS activities.⁸⁵

Child Protection Eligibility. Child care services for a child with protective needs are provided without regard to income. To receive protective child care services, the family must meet specific requirements, and child care must be identified in the child's case permanency plan as a necessary service.⁸⁶

Age of Child. CCA is provided only to children up to age 13 unless a child has special needs, in which case CCA may be provided up to age 19. Children who are part of FIP

⁸⁴ 2005 Iowa Acts ch. 175, § 14; Iowa Admin. Code 441-170.2(1)(a).

⁸⁵ Iowa Admin. Code 441-170.2(1)(b).

⁸⁶ Iowa Admin. Code 441-170.1 and 441-170.2(1).



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who are 13 years of age and older may be eligible for child care assistance benefits if there are special circumstances surrounding the child in need of child care.⁸⁷

Period of Eligibility. Eligibility for CCA is redetermined at least every six months in the same manner as at application. However, FIP participants or those whose earned income was taken into account in determining the needs of FIP participants are not subject to redetermination.⁸⁸

D. Waiting Lists.

Overview. CCA is not an entitlement program. If there is insufficient funding to provide CCA to all who are eligible, DHS is required to apply waiting list requirements. The waiting list is applied in the following descending priority order:⁸⁹

- Families with an income at or below 100 percent of the federal poverty level whose members are employed at least 28 hours per week, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 years and are participating in an educational program leading to a high school diploma or the equivalent.
- Parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 years and are participating, at a satisfactory level, in an approved training program or in an educational program.
- Families with an income of more than 100 percent but not more than 140 percent of the federal poverty level whose members are employed at least 28 hours per week.
- Families with an income at or below 175 percent of the federal poverty level whose members are employed at least 28 hours per week with a special needs child as a member of the family.

Waiting List Exceptions. The following are not subject to the waiting list requirements:⁹⁰

- Persons eligible due to participation in FIP, persons whose earned income is considered in determining eligibility and benefits for a FIP participant, and persons who are participating in activities approved under the PROMISE JOBS Program.
- A family that is receiving state child care assistance at the time a child is born into the family. The newborn child is approved for services when the family reports the birth of the child.
- Children who need protective services to prevent or alleviate child abuse or neglect.
- A child in a family that is eligible for CCA and that receives a state adoption subsidy for the child.

⁸⁷ Iowa Admin. Code 441-170.2(2)(a).

⁸⁸ Iowa Admin. Code 441-170.3(5).

⁸⁹ Iowa Code § 237A.13(5) and (7).

⁹⁰ Iowa Code § 237A.13(4).



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E. Sliding Scale.

Overview. CCA is provided on a sliding scale of family copayments determined based upon the amount of a family's nonexempt gross monthly income (primarily earned income) and the number of family members. See Appendix C for a table showing the family income limitations and amount of copay required for a particular subsidy amount.⁹¹ Reimbursement is paid by DHS to the family for payment to the provider. The minimum period of service is one-half day.

Temporary Copay Reduction or Exemption. A family's sliding scale copay may be temporarily reduced or exempted for any of the following circumstances:⁹²

- Extensive medical bills for which there is no payment through insurance coverage or other assistance.
- Shelter costs that exceed 30 percent of the household income.
- Utility costs, not including the cost of a telephone, that exceed 15 percent of the household income.
- Additional expenses for food resulting from diets prescribed by a physician.

F. Types of Providers.

Overview. In general, according to federal law families are free to select the type of child care provider,⁹³ subject to various state requirements, such as child abuse registry checks to protect the child's health and safety. The following provider types are addressed in DHS rules:⁹⁴

- Nonregistered child care home.
- Registered child development home — categories A, B, and C.
- Licensed child care center.
- Facility operated by or under contract to a public or nonpublic school that is exempt from DHS licensing.
- Adult caretaker providing care to the child in the child's home.

Regulation of Providers. Approximately 7,000 unregulated providers, such as nonregistered child care homes, served children eligible for CCA. There are about 6,000 child development homes registered with DHS and 1,450 child care centers licensed by DHS.⁹⁵ Each person providing child care to CCA children is subject to criminal and child abuse registry checks, whether or not the provider is registered or licensed.⁹⁶ An

⁹¹ Iowa Admin. Code 441-170.4(2)(a).

⁹² Iowa Admin. Code 441-170.4(2)(c).

⁹³ The concept of parent choice is part of the federal Child Care and Development Block Grant Act of 1990, which requires the state plan to provide assurance that a child will be placed with the provider selected by the parent to "the maximum extent practicable." 42 U.S.C. § 9858c(c)(2)(a).

⁹⁴ Iowa Admin. Code 441-170.4(3).

⁹⁵ Iowa Department of Human Services, Child Care Assistance Program: One-Page Summary, http://www.dhs.state.ia.us/dhs2005/dhs_homepage/docs/narrative_childcare05.doc (last visited Nov. 16, 2005).

⁹⁶ Iowa Admin. Code 441-109.6(6), 441-110.7(3), and 441-170.4(3)(h).



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unregistered child care home is restricted to providing care to five or fewer children at any one time.⁹⁷

Child Development Homes. The child development homes registered by DHS fall into three categories: A, B, and C. Each category is subject to the same general health and safety and physical space requirements and there are progressively higher standards for age, experience, and educational qualifications of the providers in the progression from categories A through C. Additional staff may be required in all categories, depending on the number of children present for a period of time.⁹⁸ A category A provider may care for up to six preschool children at any one time, plus two school age children for periods of less than two hours.⁹⁹ A category B provider may care for up to six preschool children at any one time, plus up to four school age children and two part-time children.¹⁰⁰ A category C provider may care for up to 12 preschool children at any one time, plus two school age children for periods of less than two hours and two part-time children.¹⁰¹

G. State Child Care Assistance Benefit Example.

Overview. The amount of State Child Care Assistance benefit is determined based upon the number of family members and countable family income. Appendix C provides a table used for determining the income eligibility and copayment requirements for the State Child Care Assistance Program.

Example. The CCA table in Appendix C can be applied to the example used for the FIP and food assistance benefits in Appendices A and B. The example family is a single-parent family with two children, one a toddler age one and the other a third grader. The single parent works 40 hours per week at \$6.25 per hour and does not have other income such as child support for the two children, resulting in a gross income of \$1,000 per month. In this example, it is assumed the infant and the school age child are receiving 40 hours per week of child care in a registered, category B child development home and that the care is provided at the maximum full-day rates paid by DHS of \$22.50 for the infant and \$20 for the school age child. This translates to \$212.50 per week or \$850 per month.

Because the example family is participating in the FIP Program, the family is categorically eligible for State Child Care Assistance without regard to income eligibility requirements if there is a need for child care services. However, according to the table, any family of three meeting other eligibility requirements and earning less than \$1,274 per month is eligible for CCA without a copayment. With children the same age as the example family, the maximum benefit without a copayment for five full days of child care per week is \$212.50 per week or \$850 per month for a family of that income level.

⁹⁷ Iowa Code § 237A.3.

⁹⁸ Iowa Admin. Code 441-110.5, 441-110.8, 441-110.9, and 441-110.10.

⁹⁹ Iowa Admin. Code 441-110.8.

¹⁰⁰ Iowa Admin. Code 441-110.9.

¹⁰¹ Iowa Admin. Code 441-110.10.



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V. Combined Benefit Packages — Other Assistance.

A. Illustrative Monthly Benefit Value.

For purposes of illustration, in the example of the single-parent family with two children, one a toddler age one and the other a third grader, receiving all-day child care in a category B child development home, with the single parent working full-time at \$6.25 per hour, used in Appendices A and B, assuming no changes in circumstances, the cash value of the combined monthly FIP, food assistance, and child care assistance benefits would be as follows:

Monthly FIP benefit	\$ 26.00
Monthly food assistance benefit	\$ 266.00
Monthly state child care assistance benefit	<u>\$ 850.00</u>
Combined benefit amount	\$1,142.00

B. Other Assistance.

In addition, the example family may be eligible for other programs and benefits, such as the following:

- The Medical Assistance Program (also known as Medicaid or Title XIX).¹⁰²
- The commodity distribution programs administered by DHS.¹⁰³
- Free and reduced price meals at a school.¹⁰⁴
- Low-Income Heating Assistance Program (LIHEAP).¹⁰⁵
- Individual Development Accounts, or IDAs, which help low-income Iowans accumulate assets through personal savings and matching contributions available from charitable organizations.¹⁰⁶

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¹⁰² Iowa Code ch. 249A; Iowa Admin. Code 441-75.

¹⁰³ Iowa Admin. Code 441-73.

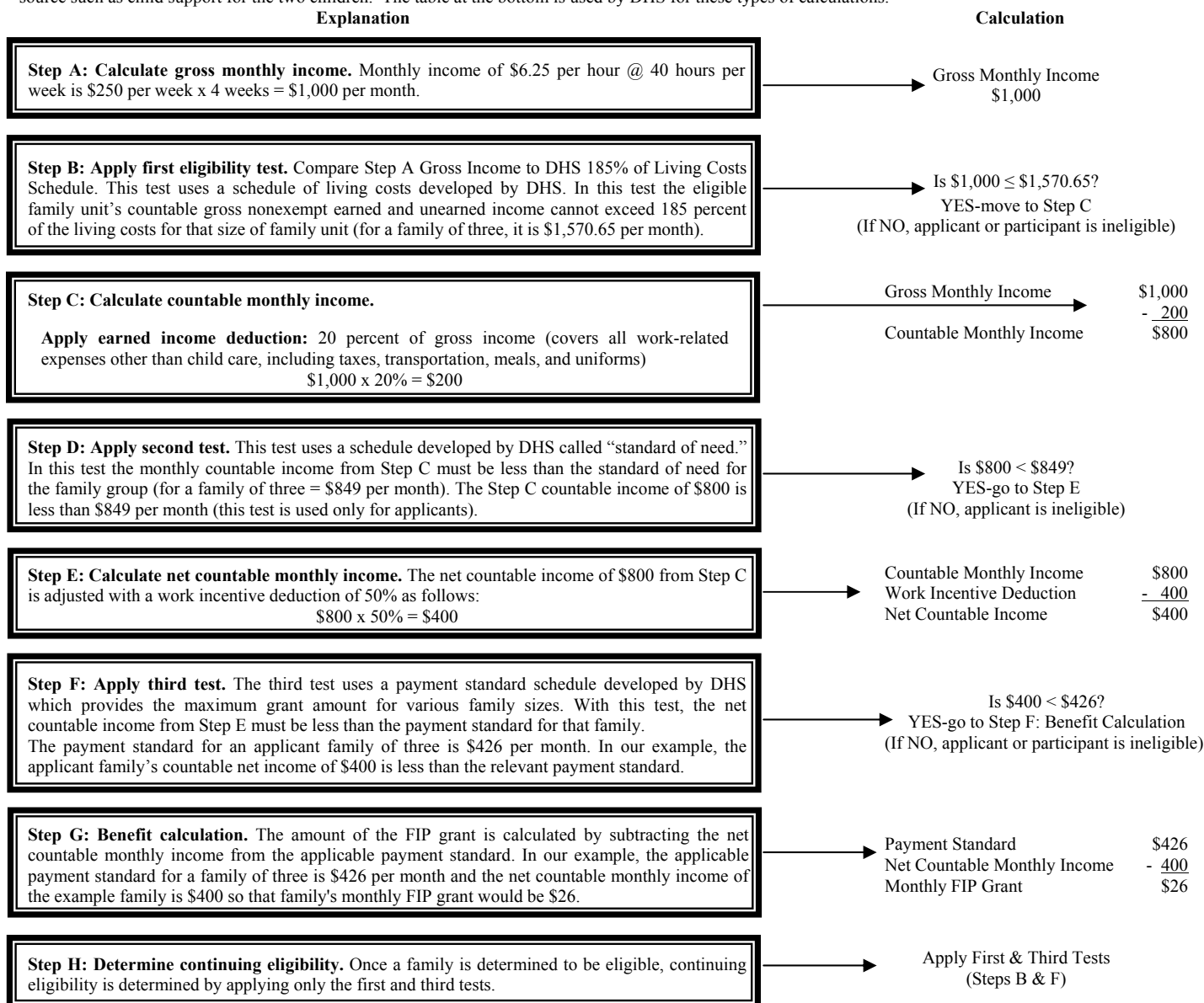
¹⁰⁴ Federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. §§ 1751-1785.

¹⁰⁵ Iowa Admin. Code 427-10.

¹⁰⁶ Iowa Code ch. 541A; Iowa Admin. Code 441-10.

Appendix A: Family Investment Program Calculation of Eligibility and Benefit Example

Assumptions. Here's a sample calculation of initial eligibility requirements and a benefit amount for a single-parent family with two children, one a toddler age one and the other a third grader. In this example, the single parent works full-time in a \$6.25 per hour job and meets all resource requirements, and there is no other income source such as child support for the two children. The table at the bottom is used by DHS for these types of calculations.



Schedule of Needs (in Dollars)											
Number of Persons	1	2	3	4	5	6	7	8	9	10	Each Add'l Person
185% of Living Costs	675.25	1330.15	1570.65	1824.10	2020.20	2249.60	2469.75	2695.45	2915.60	3189.40	320.05
Schedule of Living Costs or Standard of Need	365	719	849	986	1092	1216	1335	1457	1576	1724	173
Schedule of Basic Needs or Payment Standard	183	361	426	495	548	610	670	731	791	865	87
Ratio of Basic Needs to Living Costs	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18

Source: Iowa Department of Human Services Policy Manual, Title 4, Chapters F and G, as of 8/05.
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Appendix B: Calculation of Food Assistance Benefits — Example

Assumptions. This is an example of calculation of food assistance benefits using the Appendix A example of a working single-parent family with two children, one a toddler who is age one and the other a third grader. In this example, the single parent works full-time in a \$6.25 per hour job and there is no other income source such as child support for the two children. It is assumed that apartment rent is \$450 per month and the family pays telephone and electric utility costs but not heating or air conditioning costs. Because the family is participating in the FIP Program, the family is categorically eligible for food assistance. Therefore, this example only shows how the benefit amount is calculated and does not show an eligibility determination.

Explanation	Calculation
Step A: Calculate gross monthly income. Monthly income of \$6.25 per hour @ 40 hours per week is \$250 per week x 4 weeks = \$1,000 per month.	Step A Gross Monthly Income \$1,000
Step B: Apply earned income adjustment. 20 percent of gross income of \$1,000 (covers all work-related expenses other than child care, including taxes, transportation, meals, and uniforms) $\$1,000 \times 20\% = \200	Gross Monthly Income from Step A \$1,000 Step B Subtotal <u>- 200</u> \$800
Step C: Add unearned income to adjusted income. In our example the family is receiving a monthly FIP benefit. Step B Adjusted Income \$800 FIP Benefit +\$26	Subtotal from Step B \$800 Step C Subtotal <u>+ 26</u> \$826
Step D: Apply standard deduction. The standard deduction allowed for all recipients in the amount of \$134 is subtracted from the subtotal from Step C.	Subtotal from Step C \$826 Step D Subtotal <u>- 134</u> \$692
Step E: Subtract medical. Since this deduction is only available for household members who are elderly or disabled, the deduction is not applicable to this example.	Subtotal from Step D \$692 Step E Subtotal <u>- 0</u> \$692
Step F: Subtract child support payment deduction. Since the example family does not have a child support obligation, this deduction does not apply	Subtotal from Step E \$692 Step F Subtotal <u>- 0</u> \$692
Step G: Subtract allowable dependent care costs. Since the family does not have out-of-pocket dependent care costs, this deduction does not apply.	Subtotal from Step F \$692 Step G Subtotal <u>- 0</u> \$692
Step H: Subtract excess shelter expenses. The procedure is to total the shelter costs and subtract 50% of the subtotal from Step G, up to a maximum of \$400. <div style="display: flex; justify-content: space-between;"> <div> Rent \$450 Utilities \$145 Shelter Cost \$595 <u>- \$346</u> \$249 (subject to maximum of \$400) </div> <div> Subtotal from Step G \$692 <u>x 50%</u> \$346 </div> </div>	Subtotal from Step G \$692 Net Monthly Income <u>- 249</u> \$443
Step I: Benefit calculation. Step 1. Multiply the net monthly income figure from Step H by 30%. $\$443 \times 30\% = \132.9 (round up result) \$133 Step 2. Determine maximum food assistance allotment for family. \$399 for a family of 3 Step 3. Subtract the Step 1 amount from the Step 2 amount.	\$399 <u>- 133</u> \$266 Net Monthly Food Assistance Benefit

Source: Iowa Department of Human Services Policy Manual, Title 7, Chapter F, "Budgeting: Determining Assistance — Calculating Benefit Level" as of 8/10/05.

Appendix C:
Child Care Assistance Program
Income Eligibility and Copay Requirements
Effective September 2005

Income Increment Levels	Monthly Income Increment Levels According to Family Size										Copay
	1	2	3	4	5	6	7	8	9	10	
A	\$ 758	\$1017	\$1274	\$1532	\$1791	\$2048	\$2307	\$2565	\$2822	\$3081	\$0.00
B	798	1070	1341	1613	1885	2156	2428	2700	2971	3243	\$0.50
C	843	1130	1416	1703	1991	2277	2564	2851	3137	3425	\$1.00
D	890	1193	1495	1799	2102	2404	2708	3011	3313	3616	\$1.50
E	940	1260	1579	1899	2220	2539	2859	3179	3499	3819	\$2.00
F	992	1331	1668	2006	2344	2681	3019	3358	3695	4033	\$2.50
G	1048	1405	1761	2118	2475	2831	3188	3546	3901	4259	\$3.00
H	1107	1484	1860	2237	2614	2990	3367	3744	4120	4497	\$3.50
I	1169	1567	1964	2362	2760	3157	3555	3954	4351	4749	\$4.00
J	1234	1655	2074	2494	2915	3334	3755	4175	4594	5015	\$4.50
K	1303	1747	2190	2634	3078	3521	3965	4409	4852	5296	\$5.00
L	1376	1845	2312	2781	3251	3718	4187	4656	5123	5592	\$5.50
M	1453	1948	2442	2937	3433	3926	4421	4917	5410	5905	\$6.00
N	1535	2058	2579	3102	3625	4146	4669	5192	5713	6236	\$6.50
O	1620	2173	2723	3275	3828	4378	4930	5483	6033	6585	\$7.00

Half-Day Rate Ceilings for Basic Care				
Age Group	Child Care Center	Child Development Home Category A or B	Child Development Home Category C	Nonregistered Child Care Home
Infant and Toddler	\$14.50	\$11.25	\$10.00	\$8.19
Preschool	\$12.00	\$10.00	\$10.00	\$7.19
School Age	\$10.50	\$10.00	\$10.00	\$7.36

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